

Additional information with regard to item 5 of the agenda

Election of the independent auditor of the annual and consolidated financial statements for the 2021 financial year and the auditor for a possible audit review of the abridged financial statements and interim management report in the 2021 financial year and the auditor for a possible audit review of additional information during the year

The independent auditor for the annual financial statements and consolidated financial statements is elected by the shareholders at the annual general meeting in accordance with applicable statutory provisions.

In line with a corresponding recommendation made by the Finance and Audit Committee, the Supervisory Board proposes that the following resolution be adopted:

The PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, with registered offices in Osnabrück, Germany, is appointed to act as independent auditor of the annual and consolidated financial statements for the 2021 financial year and the auditor for a possible audit review of the abridged financial statements and interim management report pursuant to Section 115 (5) and Section 117 No. 2 of the German Securities Trading Act (Wertpapierhandelsgesetz) in the 2021 financial year and the auditor for a possible audit review of additional financial information during the year pursuant to Sections 115 (7) and 117 No. 2 of the German Securities Trading Act in financial year 2021, and in 2022 until the next annual general meeting.

For these audit services, the Supervisory Board's Finance and Audit Committee recommended PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, Germany, and KPMG AG Wirtschaftsprüfungsgesellschaft, Bremen, Germany, in accordance with the procedure referred to in Article 16 (2) of the EU Statutory Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005 / 909 / EC, hereinafter "Regulation (EU) No. 537/2014") and communicated a justified preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, Germany, as early as 2020. It is reaffirming this recommendation.

In accordance with Article 16 (2) Subparagraph 3 of Regulation (EU) No. 537/2014, the Finance and Audit Committee declared that its recommendation is free from any undue influence by third parties and that no contractual clause limiting the choices of the annual general meeting has been imposed upon it within the meaning of Article 16 (6) of the Regulation (EU) No. 537/2014.

Selection and recommendation process pursuant to Article 16 (3) of Regulation (EU) No. 537/2014

Legal framework

The appointment of independent auditors or audit firms by public-interest entities such as Berentzen-Gruppe Aktiengesellschaft is subject in particular to Article 16 of Regulation (EU) No. 537/2014.

Correspondingly, the Finance and Audit Committee of Berentzen-Gruppe Aktiengesellschaft's Supervisory Board must present a recommendation for the appointment of independent auditors or audit firms.

Apart from cases where an audit engagement is being renewed, the recommendation must be substantiated and contain at least two proposals for the audit engagement. Furthermore, the Finance and Audit Committee must state its preference for one of the two proposals, stating the reasons. In its recommendation, the Finance and Audit Committee must additionally declare that the recommendation was free of any undue influence by third parties and that no contractual clause as defined in Article 16 (6) of Regulation (EU) No. 537/2014 has been imposed on it limiting the choices of the annual general meeting.

Except in the case of a renewal of an audit engagement, the recommendation of the Finance and Audit Committee of the Supervisory Board must be prepared following a selection and recommendation process organised by the audited entity taking into account the criteria stated in Article 16 (3) of Regulation (EU) No. 537/2014.

The proposal addressed to the annual general meeting for the appointment of independent auditors or audit firms must contain the recommendation and the preference stated or given by the Finance and Audit Committee.

General information

The selection and recommendation process for the independent auditor of Berentzen Group Aktiengesellschaft relating to the appointment of the independent auditor of the annual and consolidated financial statements for the 2021 financial year, of the independent auditor for any audit review of the condensed financial statements and the interim management report pursuant to Sec. 115 (5), Sec. 117 No. 2 of the German Securities Trading Act (WpHG) performed in the 2021 financial year and the independent auditor for any audit review of additional information pursuant to Sec. 115 (7), Sec. 117 No. 2 of the WpHG published over the course of the 2021 and 2022 financial years until the next scheduled annual general meeting (hereinafter "Audit of the annual financial statements for the 2021 financial year") was performed in a fair manner observing the requirements of the amended Audit Directive 2014/56/EU, Regulation (EU) No. 537/2014 and its national implementation, and on the basis of transparent and non-discriminatory selection criteria.

Initiation of a selection and recommendation process pursuant to Article 16 (3) of Regulation (EU) No. 537/2014

In the wake of rising regulatory density and complexity – in particular with regard to international financial reporting and capital market legislation – the requirements on the content, scope and quality of consolidated and annual financial statements of publicly traded entities is increasing. This applies both with regard to their preparation and their auditing.

For this reason, the performance and quality of the audit of the financial statements and the independent auditor should also be reviewed – over and above the evaluation of the quality of the audit of the financial statements in accordance with recommendation D.11 of the German Corporate Governance Code dated December 16, 2019 – by means of a formal “benchmarking” procedure on the market with the objective of ensuring that they correspond to the purposes of the audit of the financial statements, of striving to keep them at an accepted high level of standards and, at the same time, continuing to optimise them to the greatest possible extent.

In light of this, the Finance and Audit Committee of Berentzen-Gruppe Aktiengesellschaft resolved at its meeting on September 17, 2020 to perform a selection and recommendation process or a tender procedure for the election of the independent auditor of the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft with regard to the audit of the financial statements for the 2021 financial year; this resolution was passed independently of any corresponding obligation to comply with any legislation on the rotation of the independent auditor¹.

Organisation of the selection and recommendation process

As the body responsible for the selection and recommendation process, the Finance and Audit Committee was involved in all material steps of the process and decision-making for the tender.

The Finance and Audit Committee delegated performance of the selection and recommendation process to the Executive Board of Berentzen-Gruppe Aktiengesellschaft. In coordination with the Finance and Audit Committee, the Executive Board formed a project group representing all internal specialist areas and departments that will later cooperate closely with the independent auditor. The Finance and Audit Committee specified the scope of the tender of the audit of the financial statements following the project group’s suggestion.

The design of the tender and the procedure involved were aimed at making the selection and recommendation process in a transparent and fair manner. This means that all applicants had the same chances of being selected by Berentzen-Gruppe Aktiengesellschaft as the future independent auditor. Particularly the fact that the tender documents included information on the nature and scope of the audit to be performed, on the business activities of Berentzen-Gruppe Aktiengesellschaft as well as commercial and legal documentation, thus permitting a realistic picture of the Group’s situation, helped ensure that all applicants had the same information available to them.

Publication of the call for tender and invitation to submit an offer

In line with the requirements contained in Art. 17 (4) a) of Regulation (EU) No. 537/2014, the call for tender was publicly announced by publication in the German Federal Gazette (Bundesanzeiger) on October 1, 2020.

In addition, some audit firms were directly addressed with a request to submit a tender or an application on the basis of a proposal of the project group confirmed by the Finance and Audit Committee.

¹ The Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, with registered offices in Düsseldorf, Germany, has been the financial statements auditor and the consolidated financial statements auditor of Berentzen-Gruppe Aktiengesellschaft since financial year 2016. The undersigned auditors of the auditor’s opinions for the annual and consolidated financial statements of Berentzen-Gruppe Aktiengesellschaft are Mr. Prof. Dr. Thomas Senger (since financial year 2016) and Mr. Ronald Rulfs (since financial year 2016).

Shortlisting (selection) of applicants for the further selection and recommendation process

The applicants were shortlisted to ensure that the applicants are able to guarantee the audit quality desired by Berentzen-Gruppe Aktiengesellschaft. In line with the specifications of the Finance and Audit Committee regarding the requirements and selection criteria, this shortlist primarily centred on the applicants' capital market expertise in order to guarantee a high level of quality in the areas of "international financial reporting" and "capital markets (orientation)". Apart from that, the applicants' independence was examined. To this end, the applicants were requested to submit a declaration of their independence and an internal review was performed in addition. The Finance and Audit Committee reviewed the independence of the applicants and determined the same at its meeting on October 20, 2020. Following the shortlist drawn up by the Finance and Audit Committee at the same meeting, four applicants were ultimately included in the further selection and recommendation process.

Evaluation of the applications

The applications submitted in writing were evaluated on the basis of an evaluation matrix likewise specified by the Finance and Audit Committee. Its evaluation criteria covered the focal points of audit firm, audit team, audit approach, audit methodology and processes and the audit fees, which were weighted differently when entered into the evaluation. Following the overall evaluation of the written applications performed by the Finance and Audit Committee at its meeting on November 20, 2020, the two applicants deemed best were invited to an oral presentation.

In-depth evaluation of the shortlisted applications

All members of the Finance and Audit Committee and some representatives of the project group took part in the oral presentations of the two remaining shortlisted applicants on December 9, 2020. The Finance and Audit Committee subsequently performed an evaluation of the oral presentations.

This was followed by another evaluation involving an overall appraisal of the written and oral offer by the Finance and Audit Committee and the representatives of the project group. In accordance with the requirements of the Finance and Audit Committee, the overall evaluation of the application broke down as follows: 75% being awarded to the evaluation of the written application and 25% to the oral presentation.

On the basis of its own evaluation of the oral presentations and the written applications, the Finance and Audit Committee finally performed its overall evaluation of the two applicants.

Finance and Audit Committee's recommendation and preference

To complete the selection and recommendation process for the independent auditor of Berentzen-Gruppe Aktiengesellschaft's audit of financial statements for the 2021 financial year, the Finance and Audit Committee passed at its meeting on December 10, 2020 a substantiated recommendation containing two proposals and a substantiated preference for one of the two proposals for the audit engagement to be made to the Supervisory Board for its proposal to the annual general meeting for the election of the auditor of the annual and consolidated financial statements.

This recommendation is based on the project group's evaluation and ultimately on the Finance and Audit Committee's own evaluation of the shortlisted applicants on the basis of the written applications and the oral presentations. Furthermore, the information on the applicant's independence were taken into account.

Accordingly, the Finance and Audit Committee recommended PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, Germany, and KPMG AG Wirtschaftsprüfungsgesellschaft, Bremen, Germany, for the aforementioned audit services and communicated a substantiated preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Osnabrück, Germany.

Pursuant to Article 16 (2) Subparagraph 3, of Regulation (EU) No. 537/2014, the Finance and Audit Committee declared that its recommendation was free of any undue influence by third parties and that no contractual clauses as defined in Article 16 para. 6 of Regulation (EU) No. 537/2014 has been imposed on it limiting the options of the annual general meeting.

Independence of the independent auditor

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft declared to the Finance and Audit Committee that there are no business, financial, personal or other relationships between it, on the one hand, and Berentzen-Gruppe Aktiengesellschaft and the members of its bodies, on the other, that may give rise to doubts as to its independence. In each case, this declaration relates to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft itself and an extended group of individuals according to the applicable provisions of European and German legislation and professional standards. These include, but are not limited to, audit partners and members of top levels of management and executives that perform the audit as well as the firms affiliated with PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft or linked to it within its network, the legal representatives of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, the members of the supervisory board of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft with regard to their professional relationships as defined in Sec. 319 (3) Sentence 1 No. 2 German Commercial Code (HGB), individuals acting on behalf of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft who are able to influence the outcome of the audit or, where applicable, also the spouses, domestic partners or direct relatives or other members of these individuals' families who have been living in the same household with them for at least one year.

Haselünne, March 2021

Berentzen-Gruppe Aktiengesellschaft

The Executive Board